

# **FY 2011 Supplemental Appropriations for the State Public Defender Senate File 512**

Last Action:

House Floor

March 31, 2011

**As amended and passed by the House**  
*(Strike after the enacting clause amendment – S-3213)*

*Title as amended by the House:*

**An Act relating to public funding matters by updating the Code references to the Internal Revenue Code and by decoupling from certain federal bonus depreciation provisions, authorizing appropriation transfers, and including effective date and retroactive applicability provisions.**

**Fiscal Services Division  
Legislative Services Agency**

## **NOTES ON BILLS AND AMENDMENTS (NOBA)**

Available on line at <http://www.legis.iowa.gov/LSA/Reports/noba.aspx>  
LSA Contact: Beth Lenstra (515-281-6301) and Jeff Robinson (515-281-4614)

**FUNDING SUMMARY**

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- **INTERNAL REVENUE CODE REFERENCES:** Conforms (couples) Iowa tax law to incorporate federal changes enacted between January 1, 2008, and January 1, 2011. Division III specifies that Iowa is not coupling with recent federal “bonus depreciation” provisions. The changes are retroactive to January 1, 2010. Page 1, Line 5

**FISCAL IMPACT:** The conformity provisions in this Bill, are projected to decrease Iowa net General Fund revenue by the following amounts:

FY 2011 = \$20.3 million  
FY 2012 = \$38.2 million  
FY 2013 = \$21.6 million  
FY 2014 = \$10.4 million

On a net basis, the changes are projected to increase State revenue in fiscal years 2015 through 2020 and beyond, as depreciation claimed earlier in a depreciable asset's life is not available as a deduction in later years.

- **RESEARCH ACTIVITIES CREDIT:** Updates Iowa Code references relating to the State Research Activities Tax Credit to incorporate recent changes to the federal research tax credit. Page 2, Line 4
- **BONUE DEPRECIATION:** Updates Iowa's tax law to exclude enhanced business depreciation schedules (bonus depreciation) allowed under federal law. Page 5, Line 31
- **STATE PUBLIC DEFENDER TRANSFER:** Permits the Department of Management, with approval of the Governor, to transfer funds to supplement the FY 2011 appropriations to the Office of the State Public Defender and Indigent Defense to pay costs of legal representation of indigent persons. The transfer is subject to notice and reporting requirements. Page 8, Line 42
- Changes the title of the Bill to reflect changes made by the amendment. Page 9, Line 21